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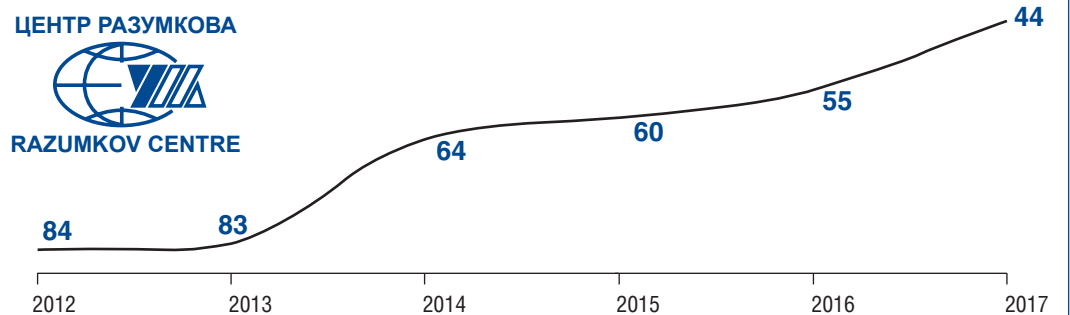
THE RAZUMKOV CENTRE NEWSLETTER

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RAZUMKOV CENTRE HAS GONE UP IN THE RANKING OF WORLD'S TOP THINK TANKS

Razumkov Centre in the Global Go To Think Tank Index Report – the ranking of top think tanks worldwide



On 30 January 2018, in Kyiv, Razumkov Centre together with the Institute for Economic Research and Policy Consulting and CEDOS think tank presented the annual 2017 global top think tanks rating ([2017 Global Go To Think Tank Index Report](#)). This report is issued since 2008 by the Think Tanks and Civil Societies Program of the Lauder Institute, University of Pennsylvania (USA).

2017 report was formed on the basis of surveys of approximately 4,000 partner institutions and experts from print and electronic media, academic institutions, state and private donor organisations, and governments worldwide, which chose the best from over 7,500 think tanks worldwide in different nominations.

Razumkov Centre took 4th place among Top Think Tanks in Central and Eastern Europe.

Compared to the 2016 report, in 2017 Razumkov Centre went 12 positions up and took 44th place among Top Think Tanks Worldwide (including USA), and is the only representative from Ukraine in this category.

Among Top Think Tanks Worldwide (excluding USA), the Centre has 29th place.

Razumkov Centre was also nominated in other report categories.

In particular, among Top International Economic Policy Think Tanks, Razumkov Centre came 43rd.

In the Top Defence and National Security Think Tanks category, Razumkov Centre was 69th.

Among Top Foreign Policy and International Affairs Think Tanks – 130th.

In the Top International Development Think Tanks category – 125th place.

Among Top Domestic Economic Policy Think Tanks – 117th place.

Razumkov Centre was 23rd in the Best Managed Think Tanks nomination and 19th among Top Think Tanks with Annual Operating Budgets of Less Than \$5 Million USD.

National Security and Defence

PEACEKEEPERS IN DONBAS

Restoring territorial integrity and sovereignty over the lost territories is Ukraine's goal. In particular, this means that these territories should be fully demilitarised, i.e. not only foreign, but all military formations altogether have to be withdrawn. This is the issue of handing over weapons, mine clearance, return of refugees, their re-adjustment.

Ukraine cannot deal with this on its own, even more so as currently it has no representation in the occupied territories.

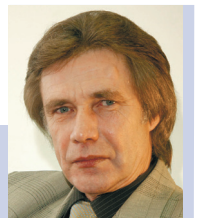
To resolve this situation, we need a peacekeeping mission that would undertake at least a part of these tasks, and then turn over its authority to official Ukrainian agencies.

A decision on introducing such peacekeeping mission is being approved by the UN. However, if they work in a standard mode, the decision will be blocked

in the Security Council by Russia's veto. Russia's right to veto can be overruled in one way – by denying it this right not altogether, but in this issue specifically. According to Article 27 of the UN Charter, Russia can be denied its right to veto as a party to the conflict. So, Russia has to be recognised as party to the conflict. This is the only option for Ukraine to resolve this issue. However, depriving Russia of its right to veto is an extremely complicated matter.

Full [text](#)

*Director of Military Programmes of
the Razumkov Centre
Mykola SUNHUROVSKYI*



WE MUST REACT TO ESCALATION, NOT THE THREATS THEMSELVES

According to the Club of Rome (International think tank founded by Italian industrialist Aurelio Peccei, which unites representatives of global political, financial, cultural and science elite), the main threat the world is currently facing is the inadequacy of our thinking in the complex reality. This includes the issue of how adequately we view threats, how correctly identify and respond to them, how well we define the best way to respond, choose forces and means. If our thinking is erroneous, our response is also wrong.

There are three main requirements for threat response: adequacy, timeliness and solidarity. In order to provide timely response to a threat, its emergence must be promptly caught. That is, first, there are preconditions

of confrontation, and as they mount, they turn into conflict.

We must react to escalation, not the threats themselves, starting from initial stages. Then, we will be able to talk about timely or late response to a threat. Now we are talking about Russia being a threat, North Korea – being a threat, while we disregarded those very preliminary stages. We should have had reacted as those threats were just emerging, preventing North Korea from even thinking about having nuclear weapons.

Full [text](#)

*Director of Military Programmes
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WEAPONS FROM THE UNITED STATES. THE DOOR IS OPENING

Ukraine's preparation for the use of Javelin anti-tank missile systems that the US plans to send to Ukraine should not cause difficulties. Issues could potentially arise with somewhat more sophisticated arms systems that require special personnel training, technical



preparations. Javelin is a simplified operational use system.

The military will be trained by foreign experts. But I would advise our American partners to train Ukrainian instructors, who could later prepare calculations for anti-missile systems in the field.

As far as I know, the US is talking about the delivery of 35 Javelin reusable missile launchers with 210 missiles.

Obviously, delivery of American weapons to Ukraine is of great importance, as there used to be an unspoken restriction on the supply of weapons to Kyiv due to Russia being our enemy. And although Canada also approved export licensing, and Lithuania has long been supplying Soviet-design weapons and ammunition to our country, Washington's decision is sending a message to others that Ukraine can be a partner in this field.

Full [text](#)

*Director of Military Programmes
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IN RECENT YEARS, UKRAINIAN ARMY HAS BECOME ONE OF THE STRONGEST ARMIES IN EUROPE PRACTICALLY FROM THE GROUND UP

Looking at Ukraine's security sector, first of all, we need to consider the current tasks related to fighting off Russia's aggression, restoring our sovereignty and territorial integrity. Second, building Armed Forces and state system in general, we must do so with a view of the future, not to have to rebuild everything we have created afterwards.

We are accomplishing the first task more or less well. At the front (I have not been using «anti-terrorist operation» phrase for a while now, as by their nature, essence, scale – these are military activities aimed at fighting off aggression), Ukrainian state and society that stood up to protect Ukraine's sovereignty and territorial integrity, were able to achieve stability (meaning that at least the situation is not getting worse). The army, practically from non-existent, which it was in early 2014, became one of the strongest in Europe, and not just by the number of people and equipment, but also by training and readiness to oppose such strong country as Russia.

As for development, it is largely defined by programmes and initiatives related to Ukraine's integration into the Euro-Atlantic security system. And here, much depends on Ukraine's pace moving towards implementation of NATO standards.

One complication is that, at the moment, EU security system and NATO itself have finally reached the conclusion that they are insufficiently adapted to reality, and are starting reorganisation. After a broad debate on the topic, a programme of Permanent Structured Cooperation has finally been approved, NATO-EU agreements have been reached on creating the so-called European «Military Schengen».

With the EU Association Agreement and the Washington Treaty on NATO membership in front of our eyes, we are well aware of the homework we need to do.

Full [text](#)

*Director of Military Programmes
of the Razumkov Centre Mykola SUNHUROVSKYI*

S-400 IN CRIMEA: RUSSIA'S PREVENTIVE STRIKE

Russia is deploying S-400 missile defence systems in Sevastopol, Crimea, for «protection from Ukraine». According to Putin's Press Secretary Dmitry Peskov, this should not be perceived as a threat to anyone.

However, it is clear that there is a threat for Ukraine coming from Crimea, as, according to



Co-director of Foreign Relations and International Security Programmes of the Razumkov Centre Oleksiy MELNYK

Shoygu, a self-standing military group has been created there, and the very fact that Russian military-political leadership views or presents this situation as potential defence capability, is already a sign of a dangerous arms race and militarisation on the peninsula. The threat is perceived not so much as an actual threat, but as perception of this threat by the country that is preparing to fight off similar aggression. And one of the steps is a preventive strike, so, if at any moment, Russia feels that it is not enough to have equipped themselves to fight off any aggression, in theory, they could legitimise a pre-emptive attack as defence.

[Full text](#)

ON AMERICA'S MILITARY ASSISTANCE TO UKRAINE

First of all, it is worth mentioning that \$350 mln. of American military assistance will not come in cash or, say, means of transportation for the Ukrainian Ministry of Defence. These will be absolutely practical things listed in the budget document. They include provision of defensive weapons, as well as provision of rehabilitation and treatment services for Ukrainian military, training Ukrainian specialists of different level, advanced training of Armed Forces soldiers.

It is important to understand, that the US budget, in contrast to Ukrainian, is not just a funds distribution document, but also a programme that defines priorities.

So, these are the priorities that have been determined by Ukrainian and American experts together, and on which this package of American assistance will focus.

Talking about defensive weapons, they may include Javelins. We have to make a political decision and ensure its technical execution. In addition, I would like to point out that Ukraine will also be getting assistance in the development of its air and missile defence and naval forces.

[Full text](#)

Co-director of Foreign Policy and International Security Programmes Oleksii MELNYK

Economy

ON NBU RAISING POLICY RATE

Keeping inflation within the established 6-10% range has failed this year. The real inflation rate is about 14%. This affects hryvnia's exchange rate. Meanwhile, the capital inflow is slow and we have almost no foreign funding.

Reviewing the National Bank's decision to raise policy rate to 16%, we should note that domestic inflation and depreciation of hryvnia, and therefore, a rise of all imported goods prices create inflationary pressure mechanisms. NBU decided to fight this situation with limited access to loans. Limiting access to loans, as per NBU estimations, will cause exporters experiencing difficulties with access to liquidity to sell more foreign currency. Currently, with the exception of mandatory sale, exporters are not willing to sell foreign currency.

However, restricting access to resources will delay economic growth with all ensuing consequences. Therefore, in the current situation, raising policy rate is a rather debatable decision. Given that many of our economic problems are structural in nature and are related to existing structural imbalances, it is unrealistic to resolve these problems just through raising policy rate without the support of broader economic policy measures.

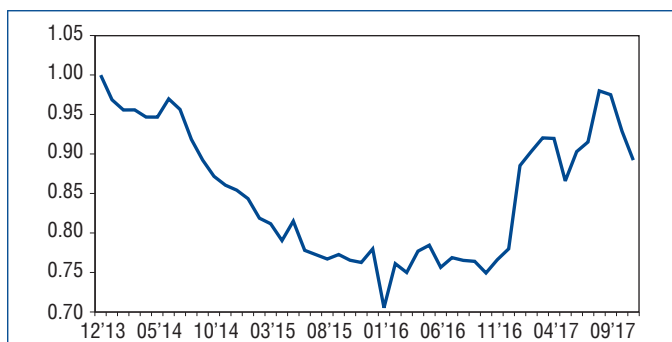
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Senior Research Fellow of the Razumkov Centre Volodymyr SIDENKO



CURRENT ECONOMIC CAPACITY INDEX AT THE END OF 2017

Current Economic Capacity Index



The value of the Current Economic Capacity Index at the end of 2017 was 89.5, which is significantly higher than the end of 2016 value, yet noticeably less than the July-October 2017 values.

[Full text](#)

Director of Economic Programmes of the Razumkov Centre Vasyli YURCHYSHYN



2018 FORECAST. WHAT AWAITS THE ECONOMY?

In 2017, economic growth was symbolic – at the level of 2%. Taking into account that throughout 2014-2015, economy has had a 17% drop, – 2017 achievements seem rather modest.

Looking back at 2014, at the time when Russian aggression started, a lot was being said about active restructuring of Ukraine, significant increase of people's income being some of the most important and reliable medicines against separatist sentiment. This could also have a major impact on decreasing the populism surge in the society and political circles.

Regarding the 2018 forecasts, I do not believe that we will reach a 3% GDP increase as planned in the budget. Next year is the time of elections. No one will be willing to take risks and implement unpopular reforms, which in the short term can lead to social tension.

[Full text](#)

*Director of Economic Programmes
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Vasyl YURCHYSHYN*

Energy Sector

UKRAINE'S ENERGY SECTOR HAS TO MOVE TOWARDS MARKET-BASED ENERGY PRICING

In my opinion, coal price foreseen in forming wholesale market electricity price (WMP), in general, matches the market. At the same time, Rotterdam + method, according to which WMP coal price was calculated, needs to undergo a more detailed analysis. I.e., in order to resolve this methodology issue, a group of Ukrainian and foreign experts has to come together and reach a consensus. Eventually, Ukraine's

energy sector must move towards market-based energy pricing.

[Full text](#)

*Director of Energy Programmes
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Volodymyr OMELCHENKO*



EU COUNTRIES SUPPORTING CONSTRUCTION OF NORD STREAM 2 DO NOT SEE A DIRECT THREAT FOR THEMSELVES

Nord Stream 2 is lobbied for primarily by Germany, Netherlands, France and Austria, and of course, Russia. Companies taking part in the construction of Nord Stream 2 hardly risk anything, as all risks are assumed by Russia. Gazprom provides these companies with gas at reduced prices and ensures large-scale construction work, which means employment and orders for these countries. Big interests and big money.

Some EU countries do not see a direct threat to them from this cooperation. This approach is a big mistake, as the more money they pour into Russia while increasing the volume of purchased energy, the more dangerous Russia becomes for Europe. Using this money, Russia

implements cyberattacks, bribes politicians, buys whole parties, media, journalists, MPs. It also makes effort to deepen political risks and crises in Western Europe countries. Besides, Russia's aggressive actions make Europeans invest in military re-armament, increasing their defence spending. This is a dubious cooperation that brings specific profit to a relatively small proportion of European business and corrupt officials, yet leads to global instability in Europe.

[Full text](#)

*Director of Energy Programmes
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Foreign Policy

RECOGNISING RUSSIA AS THE OCCUPIER ALLOWS TO HOLD IT FULLY RESPONSIBLE FOR HUMAN RIGHTS VIOLATIONS ON THE OCCUPIED TERRITORIES

Verkhovna Rada has adopted the law on re-integration of Donbas in the second reading, where among other things it named Russia a military aggressor and occupier. Now, Ukraine has legally defined what everyone has been talking about since 2014 – the war was named war, Russia – the aggressor, and «LNR/DNR» have to be eliminated from our vocabulary altogether – now this is occupation administration.

Recognising Russia as the occupier allows to hold it fully responsible for human rights violations on the occupied territories. And the fact that Ukraine's stand is now legally documented can strengthen our position in the International Court of Justice. In April 2017, the court has already ruled on the provisional measures in regard to Russia – on ensuring the rights of Crimean Tatar population, on refraining from discriminatory actions against the citizens of Crimea. However, this decision

was provisional and did not have significant legal force. Yet, it was still used as a basis for United Nations General Assembly Resolution adopted in December 2017.

And most importantly, on December 4, International Criminal Court in Hague, published its Report on Preliminary Examination Activities in the case of Ukraine vs. Russia. It qualifies the events in Crimea and Donbas as international armed conflict. In this context, the law is also important, as it strengthens Ukraine's position.

[Full text](#)

*Co-director of Foreign Relations and
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CONCLUSIONS ON THE SO-CALLED “BANDERITE” LAW HAVE TO BE MADE JUDGING BY ITS PRACTICAL IMPLEMENTATION

Poland has recently adopted a bill «On Amendments to the Act on the Institute of National Remembrance – Commission for the Prosecution of Crimes against the Polish Nation and a Number of Other Acts». Due to its controversial provisions, it was criticised by Israel, USA and Ukraine.

Current relations with Poland are rather strained, ruling party's line of policy and position of the president cause concerns.

Poland-Ukraine conflict mostly benefits our northern neighbours, but it is too early to make any definitive conclusions. There is an aggravation, but we would like to believe that this is not the «red line» in our relations, but rather – a negative episode to be dealt with and move

forward. Also, Poland has other forces that believe that the situation must be turned in a different direction.

First conclusions on the so-called «Banderite» law should be made judging by its practical implementation, i.e., based on the number of instances of Ukrainian citizens' detention, public processes. Poland itself recognises that over a million of Ukrainian employees are a driving force in Polish economy. Therefore, it is unlikely that Poland will be biting the hand that feeds it.

Full [text](#)

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RETURN OF MIA OFFICE TO UZHGOROD IS A POSITIVE STEP

The point of resuming the work of MIA office in Uzhhorod is to continue active negotiations with the Hungarian community in this region. MIA leaders are taking careful steps aimed at developing the existing dialogue and making it productive.

Regular presence of MIA in the region is crucial for maintaining direct contact with the Hungarian community. And in the context of the complex problems that lately

arose between Kyiv and Budapest, this is a proper step. Hungary's position aimed at stalling Ukraine's European integration is inadequate. This knot has to be untangled.

Full [text](#)

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Sociology

The study was conducted by the sociological service of the Razumkov Centre together with the Ilko Kucheriv Democratic Initiatives Foundation from 15 to 19 December 2017 in all regions of Ukraine, except Crimea and the occupied territories of Donetsk and Luhansk oblasts. Number of respondents – 2004, age – from 18 y.o. Theoretical error does not exceed 2.3%.

Survey funding provided in the frame of the Matra Programme of the Kingdom of Netherlands Embassy.

For more information on the results of sociological studies conducted by the Razumkov Centre, see our web-site <http://www.razumkov.org.ua>.

With which country – Ukraine or Russia – do you associate each of these concepts in the first place? % of respondents

	With Ukraine	With Russia	With each country equally	With neither of them	Hard to say
Democracy	41.5	2.0	9.5	35.0	11.9
Well-being	17.9	8.8	9.8	50.7	12.8
Stability	12.1	11.6	8.6	55.0	12.7
Freedom	39.6	3.5	8.2	35.1	13.6
Aggression	2.6	65.7	9.1	11	11.5
Humanity	36.4	2.8	8.3	34.8	17.7
Justice	24.5	3.5	7.6	47.0	17.5
Cruelty	3.4	56.9	11.1	13.2	15.4
Dictatorship	4.1	59.6	11.8	10.4	14.1
Respect for individual rights	20.6	3.7	7.9	47.0	20.7

Razumkov Centre Events

PUBLIC DISCUSSION «INDEPENDENT ANALYSIS, COOPERATION WITH GOVERNMENT, REFORM SUPPORT: WHY THINK TANKS ARE IMPORTANT IN UKRAINE TODAY»

On 30 January 2018, Razumkov Centre together with Institute for Economic Research and Policy Consulting and CEDOS think tank organised a public discussion titled «Independent Analysis, Cooperation with Government, Reform Support: Why Think Tanks Are Important in Ukraine Today».

The discussion was devoted to the release of the ([2017 Global Go to Think Tank Index Report](#)) published by Think Tanks and Civil Societies Program of the Lauder Institute, University of Pennsylvania.

Over 170 organisations in 100 cities of the world were holding similar events.

During the event, the following issues were discussed:

1. Role of think tanks in the implementation of reforms.
2. Populism and half-truth – challenges for society and think tanks.
3. State and think tanks: is analytical services market possible in Ukraine.

[download presentation](#)



PARTICIPATION IN THE INTERNATIONAL FORUM ON COOPERATION OF THINK TANKS FROM COUNTRIES INTERESTED IN IMPLEMENTATION OF CHINA'S ONE BELT ONE ROAD INITIATIVE

On 16-18 January 2018, in the town of Shenzhen (China) took place the international forum for cooperation of think tanks from countries interested in implementation of China's One Belt One Road Initiative (2018 Forum for International City and Industry Cooperation (Shenzhen) under the Belt & Road Initiative). Vasyl Yurchyshyn, Director of Economic Programmes of the Razumkov Centre, took part in Forum events and discussions.

Forum participants once again stressed the positive trends in developing dialogue and cooperation between think tanks of different countries, the possibility of implementing joint development projects based on principles of mutual respect, aiming to facilitate the efficiency of member-states' policy.

Conference participants expressed their interest in Ukraine, its public, economic, social development. This interest also highlighted a number of overlooked

possibilities in Ukraine's activity, its investment capacity. For instance, Ukraine is not a part of Chinese business' primary attention or the discussed development projects. In most cases, initiatives and projects go around Ukraine, as, first of all, Ukraine is not prepared for major projects, and already has reputation losses.

But of course, transformation of omissions and challenges into benefits and achievements depends entirely on targeted efforts of the government aimed at creating and strengthening socio-economic growth and development environment.



PARTICIPATION OF RAZUMKOV CENTRE REPRESENTATIVE IN THE ROUND TABLE «SECURITY THREATS TO UKRAINE AND OTHER EASTERN PARTNERSHIP COUNTRIES AND POSSIBLE RESPONSE»

On 16 December 2018, Ukrinform hosted a round table «Security Threats to Ukraine and Other Eastern Partnership Countries and Possible Response».

Event participant included Hugues Mingarelli, Head of the EU Delegation to Ukraine, Alexander Vinnikov, Head of NATO Liaison Office in Ukraine, experts from top Ukrainian think tanks and civil society organisations.

Director of Military Programmes of the Razumkov Centre Mykola Sunhurovskyi presented a report at the event.

MEETING WITH THE AMBASSADOR OF THE NETHERLANDS TO UKRAINE AT THE RAZUMKOV CENTRE

On 16 January 2018, Razumkov Centre met with Ambassador of the Kingdom of the Netherlands to Ukraine Mr. E. Hoeks. Razumkov Centre representatives talked about the areas and prospects of Centre's activities. In the course of the conversation, they discussed a broad range of issues related to Ukraine's internal and external circumstances. Centre's experts talked about key domestic policy aspects of the situation development in Ukraine, its economic situation.

Parties also discussed the state and prospects of Ukraine's foreign policy in the context of geopolitical changes in Europe and the world, problems in Ukraine's European integration, special aspects of the Russia-Ukraine conflict. Special attention was paid to the issues of reforming the security sector in Ukraine, as well as the situation with the annexed Crimea and the war in Donbas.